

Message Text

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53

ACTION XMB-04

INFO OCT-01 AF-06 ISO-00 EB-07 CIAE-00 INR-07 NSAE-00

COME-00 OPIC-03 FRB-03 TRSE-00 CIEP-01 OMB-01 AGR-05

AID-05 /043 W

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P 031405Z JUL 75

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC PRIORITY 3823

LIMITED OFFICIAL USE NAIROBI 5668

E.O. 11652: N/A

TAGS: EAID KE US

SUBJECT: GOK REQUEST FOR DEVELOPMENTAL ASSISTANCE TO FINANCE
ACQUISITION OF RAILWAY EQUIPMENT

REFS: (A) NAIROBI 4948

(B) STATE 145165

1. DCM AND ECONOMIC COUNSELOR CALLED ON KENYA MINISTER FOR POWER AND COMMUNICATIONS OKERO JULY 2 TO INFORM HIM (PER REF B) OF FINANCING WHICH EXIM BANK MIGHT CONSIDER EXTENDING IF KENYA ACQUIRES RAILROAD EQUIPMENT IN U.S. FOR USE ON KENYA SECTION OF EAST AFRICA RAILWAYS. WHILE EXPRESSING APPRECIATION FOR OUR PROMPT RESPONSE TO HIS EARLIER QUERY, OKERO ASKED WHETHER USAID CONCESSIONARY DEVELOPMENTAL FINANCING MIGHT INSTEAD BE MADE AVAILABLE FOR THIS PURPOSE. HE NOTED THAT RAILWAY IS PART OF KENYAN INFRASTRUCTURE AND IS NOT INTENDED TO BE PROFIT-MAKING INSTITUTION AND SHOULD THEREFORE BE CONSIDERED FOR FINANCING ON DEVELOPMENTAL RATHER THAN COMMERCIAL TERMS.

2. IT WAS POINTED OUT TO OKERO THAT U.S. CONGRESS HAS DIRECTED THAT CURRENT ECONOMIC ASSISTANCE BE FOCUSED PRIMARILY ON AGRICULTURE, ETC. WITH EMPHASIS
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ON RURAL AND URBAN POOR; THEREFORE IT HIGHLY UNLIKELY THAT THIS TYPE OF FINANCING COULD BE EXTENDED FOR 50 HEAVY DUTY DIESEL LOCOMOTIVES WHICH OKERO SAID THEY WOULD LIKE TO PROCURE IN U.S. AT TOTAL COST OF ABOUT \$30 MILLION.

OKERO NEVERTHELESS REQUESTED THAT EMBASSY FORWARD HIS
PROPOSAL FOR CONSIDERATION BY AID/W. EARLY REPLY WOULD
BE APPREICATED.

3. USAID/K DOES NOT LOOK WITH FAVOR ON THIS
TYPE OF LOAN FINANCING WHICH IT CONSIDERS AS BEING
INCONSONANT WITH APPROVED AID STRATEGY AND BELIEVES THAT
GOK SHOULD TURN TO OTHER FINANCING SOURCES.
LINDSTROM

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BE APPREICATED.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EQUIPMENT, RAILROADS, LOANS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: woolflhd
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750231-0211
From: NAIROBI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197507107/baaaatpx.tel
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Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Authority: woolflhd
Review Comment: n/a
Review Content Flags:
Review Date: 27 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 AUG 2003 by BoyleJA>; APPROVED <15 DEC 2003 by woolflhd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

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